

DEPARTMENT OF STATE REVENUE

**LETTER OF FINDINGS NUMBER: 99-0126 MVE
MOTOR VEHICLE EXCISE TAX
FOR TAX PERIOD: 09/30/92 THROUGH 07/31/98**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department=s official position concerning a specific issue.

ISSUE

I. Motor Vehicle Excise Tax – Imposition

Authority: IC 9-18-2-1

Taxpayers protest the imposition of the motor vehicle excise tax on their 1992 Chevrolet.

STATEMENT OF FACTS

Taxpayers purchased a 1992 Chevrolet in September of 1992. Taxpayers registered and licensed the vehicle in Illinois. Taxpayers were residents of Indiana throughout the assessment period. Taxpayers began licensing and registering the vehicle in Indiana on July 31, 1998. The Department assessed the motor vehicle excise tax on the 1992 Chevrolet from the purchase date to the date it was registered in Indiana. Taxpayers protested the assessment. Additional relevant facts will be provided below, as necessary.

I. Motor Vehicle Excise Tax – Imposition

DISCUSSION

Pursuant to Indiana Code section 9-18-2-1, within sixty days of becoming an Indiana resident, a person

must register all motor vehicles owned by that person that will be *operated in Indiana*.

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Taxpayers filed Indiana, full-year resident, individual income tax returns and concede they were residents of Indiana throughout the assessment period. However, taxpayers argue they did not operate the vehicle in Indiana.

Taxpayers owned a business in Illinois. Taxpayers argue the 1992 Chevrolet was purchased for use in the business. Since the taxpayers could not acquire credit in the business name they were forced to purchase and title the vehicle in their names, individually. Taxpayers describe the vehicle as a “work truck” and state it was used exclusively for business use and stored at the business location. Taxpayers have provided extensive supporting documentation that the vehicle was fully depreciated on the company’s tax schedules, the vehicle was insured by the company, all expenses (including licensing and registration) were paid by the company, and the personal license plate reflected the company name.

The Department assessed the motor vehicle excise tax because the 1992 Chevrolet was owned by the taxpayers, individually, and the taxpayers were residents of Indiana. However, the taxpayers have illustrated the vehicle was not operated in Indiana. Taxpayers had other personal vehicles for the commute between their home and business and those vehicles were registered in Indiana.

Taxpayers relocated the business in Indiana in July of 1998. At that time, taxpayers properly licensed and registered the 1992 Chevrolet in Indiana.

FINDING

Taxpayers’ protest is sustained. Taxpayers have sufficiently shown the 1992 Chevrolet was not operated in Indiana prior to July, 1998.